technology services, and large worker's remittances. The last change in the rating outlook for the foreign currency country ceiling was done in August 2001 when it was changed from positive to stable mainly on account of concerns regarding budget deficit, public debt, privatisation etc.

Repayment of loans by Cooperative Societies of Maharashtra

2088. SHRI C.P. THIRUNAVUKKARASU: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that NABARD has requested the State Registrar of Co-operative Societies of Maharashtra demanding a one-time repayment of loans worth Rs. 750 crore from Land Development Banks;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government of Maharashtra has liquidated the Land Development Banks due to huge losses; and

(d) if so, the steps taken by NABARD to realize the amount from these Banks.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) National Bank for Agriculture and Rural Development (NABARD) has reported that after a study of the financial position of Maharashtra State Cooperative Agriculture and Rural Development Bank (MSCARDB), NABARD, Government of Maharashtra and MSCARDB had entered into a tripartite agreement in March 2002 for repayment of the entire outstanding refinance of Rs. 727.63 crore and the interest thereon to NABARD. In terms of this agreement, in the event of MSCARDB failing to repay the dues to NABARD on the respective due dates, Govt. of Maharashtra would repay as per the repayment schedule. Accordingly, the first instalment of interest due has been received by NABARD on 1st July, 2002 as per the agreement.

(c) and (d) During November, 2002, Government of Maharashtra has issued an interim order for liquidation of MSCARDB and 15 District Land Development Banks. On account of this development, NABARD had approached the State Government for the recovery of its dues. The State

Government has indicated that it would stand by the tripartite agreement and repay the dues to NABARD on the due dates as per the schedule drawn up.

Interest rate differentials between US and India

2089. SHRI C.P. THIRUNAVUKKARASU: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Non-Resident Indians are depositing their money to seize opportunity presented by the interest rate differentials between the US and India;

(b) if so, its impact on the Indian economy; and

(c) the steps proposed to be taken to reduce the interest rate difference between the two countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) A recent study by the Reserve Bank of India (RBI) on "Accretion to Foreign Exchange Reserve in India : Sources, Arbitrage and Costs", indicates that non-resident Indian (NRI) deposits have experienced a net increase of US $2.1 billion during April-November 2002, compared with an almost identical increase of US $2.2 billion during April-November 2001. The accretion includes drawdown of deposits from the non-resident, non-convertible rupee accounts, which were discontinued from March 2002. Since 1999-2000, annual net inflows in NRI deposits have ranged between US$1.5-2.7 billion. Thus, the current trends in non-resident deposits have been consistent with those observed during the past few years. The RBI study points out that despite a differential of 3-4 percent between Indian and international interest rates, there is no evidence to suggest that arbitrage opportunities have led to accretion of foreign exchange reserves in India. It is also mentionable that over the years there has been a downward trend in Indian interest rates facilitated by moderate inflation and adequate liquidity in the economy.